



May 8, 2013

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW,  
Room TW-A325  
Washington, DC 20554

RE: In the Matter of Connect America Fund A National Broadband Plan for Our Future High-Cost Universal Service Support, Docket 10-90; In the Matter of Federal -State Joint Board on Universal Service High-Cost Universal Service Support, Docket 05-337; CAF Phase I Incremental Support in areas granted American Recovery and Reinvestment Act Broadband Initiatives Program awards.

Dear Ms. Dortch,

In 2009 Wiggins Telephone Association (d/b/a NCCI) was one of the first entities to receive an American Recovery and Reinvestment Act Broadband Initiatives Program award (Stimulus award) from the Rural Utilities Service (RUS). This award was a \$2.2 million loan and \$2.1 million grant combination to bring broadband to the unserved communities of Weldona and Orchard in northeastern Colorado, serving 264 census blocks (see attached map). Unfortunately, the viability of this project has been jeopardized by the FCC not clarifying that incremental CAF support to price cap carriers should not be used in areas to be served by Stimulus awardees.

The Weldona-Orchard project provides a fiber to the premises (FTTP) to approximately 450 households and 40 businesses. This includes 7 anchor institutions, including public safety entities, schools and post offices. Prior to granting the Stimulus award, RUS conducted a field visit to confirm that customers in the area lacked sufficient access to broadband and found that not only were customers unserved, but the incumbent carrier had no plans to provide broadband in this area.

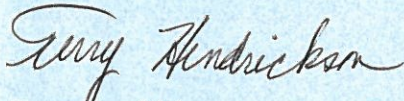
NCCI's Weldona-Orchard project now faces significant hurdles. CenturyLink has indicated it will use CAF Phase I incremental support to build out in 72 of the 264 census blocks to be served by NCCI. Even though the CAF Phase I requires price cap carriers to certify that funds are used in unserved areas, without excluding stimulus award areas, the rules do not account for areas that



are in the process of being constructed. As pointed out by multiple Minnesota LECs<sup>1</sup>, this "double funding" from government agencies, places NCCI's business model at risk. Even more troubling, the staff of Colorado Public Utilities Commission has cited CenturyLink's acceptance of CAF I funding in one-quarter of the census blocks in Weldona-Orchard as rationale for imposing additional regulatory hurdles for NCCI. This has resulted in an even further delay to our facilities investment and as such denied broadband services to the consumers of this area.

NCCI respectfully requests that the FCC clarify that incremental CAF support may not be used in areas with Stimulus awards. NCCI further requests that the FCC release this finding expeditiously to ensure regulatory certainty for all entities.

Respectfully submitted,



Terry Hendrickson  
General Manager/CEO

One (1) Attachment

Cc: Chairman Genachowski  
Commissioner McDowell  
Commissioner Clyburn  
Commissioner Rosenworcel  
Commissioner Pai

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<sup>1</sup> See Docket 10-90 letters from Southwest Broadband, received April 22, 2013; Lake County Minnesota, received February 19, 2013; and Arrowhead Electric Cooperative, Inc. received January 28, 2013.



Attachment 1  
NCCI BIP Service Area vs. CenturyLink CAF Phase I Proposed Area

